

DSCA



The Transition from Reinvention to Business Process Reengineering

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FMS REINVENTION INITIATIVES BACKGROUND

- **Process began in May 1998**
- **Reinvention-oriented Integrated Process Teams (IPTs) formed - military departments, foreign customers and U.S. industry participants**
- **IPTs focused on:**
 - **Partnering**
 - **Finance**
 - **Business Processes**
 - **Professional Workforce**
- **Ten reinvention initiatives presented at DSCA's worldwide conference in Sep 2001**



FMS REINVENTION INITIATIVES

- 1. Team International**
- 2. Standby Letter of Credit in lieu of Termination Liability Prepayments**
- 3. Improved Payment Schedule Methodology**
- 4. Greater Customer Participation in FMS-related Contract Processes**
- 5. Customer Satisfaction Index**
- 6. Electronic LOA Coordination**
- 7. Web-Based Security Assistance Customer Handbook**
- 8. Electronic "How To" Guide for LOR Preparation**
- 9. Improved Case Closure and Reconciliation**
- 10. Civilian Workforce Initiatives**



TEAM INTERNATIONAL

WHAT: A process to bring relevant parties in an export sale together at the earliest possible time to better define program requirements and influence program execution.

ACCOMPLISHED:

- P3 Weapons Division designated as staff proponent at DSCA
- Several cases supported by Team International process
 - Oman F-16 purchase
 - Navy Team Chile and Team Heavy Lift Helo
 - Kuwait Apache Longbow purchase
 - Joint Strike Fighter

TO DO:

- Track progress



STANDBY LETTER OF CREDIT (SBLC) IN LIEU OF TERMINATION LIABILITY PREPAYMENTS

WHAT: Adaptation of commercial banking practice to FMS

ACCOMPLISHED:

- Secured DoD Comptroller approval
- SBLC guidelines posted on DSCA Web Site
- Established operating procedures
- Singapore the first country to utilize SBLC

TO DO:

- Update SAMM and DoD FMR (Volume 15) as part of the rewrite of those publications



CUSTOMER PARTICIPATION IN CONTRACTING PROCESS

WHAT: DEPSECDEF policy memo and amendment to Defense Federal Acquisition Regulation Supplement (DFARS) enlarging the role the international customer can play in the contracting process

ACCOMPLISHED:

- DEPSECDEF signed policy memo on 9 Jan 2002
- Proposed rule change published in Federal Register on 26 April 2002

TO DO:

- Formal DFARS rule change expected later in Fall 2002



ELECTRONIC LOA COORDINATION

WHAT: Electronic Coordination and Countersignature of LOA:

- Major innovation in use of information technology capabilities
- Eliminates need to mail paper documents to DSCA
- Speeds countersignature - parallel processing rather than sequential

ACCOMPLISHED:

- Implemented August 13, 2001
- LOA approval time at DSCA reduced by roughly half

TO DO:

- Continue to track performance for future policy decisions
- Develop means to provide tracking information to Customers
- Meld into Defense Security Assistance Management System and the Case Execution Management Information System



WEB-BASED SECURITY ASSISTANCE CUSTOMER HANDBOOK AND LOR GUIDE

WHAT:

- Instructional handbook, using web-based technology, designed to assist customer navigate the FMS process
- Augments, rather than replaces, the Security Assistance Management Manual (SAMM) and The Management of Security Assistance (the "Green Book")
- Links to critical FMS reference documents, procedural information
- LOR Guide is incorporated as an Annex in the Security Assistance Handbook

ACCOMPLISHED:

- Installed on DSCA web site 21 Dec 01

TO DO:

- Revise and update as required
- Develop work-around for loss of Acquisition Deskbook



WORKFORCE INITIATIVES

WHAT:

- Graduate Studies Program for the International Affairs community
- Internship Program
- Career Development and Certification Program

ACCOMPLISHED:

- Tufts University GMAP recommended from over 20 programs
- Internship program guidelines approved in Sep 2002
- Career Development guidelines approved in Dec 2001

TO DO:

- Develop GMAP business agreement and implementation plan
- Services to develop plans and begin recruiting for placement in 2003
- Approve service Career Development implementation plans



BUSINESS PROCESS REENGINEERING (BPR)

- **DSCA transitioning from the high level “Reinvention” process to an approach focused on continuous improvement.**
- **Depending heavily upon modern technology, we will strive to make our security cooperation processes more like those of modern business.**



BUSINESS PROCESS REENGINEERING

DSCA Definition

Change that will make business processes **better, faster, cheaper** and/or **more responsive** to the customer(s). BPR is the **facilitator for innovation.**



WHY HAVE BPR AT DSCA?

- **Clinger-Cohen Act of 1996 requires that reengineering be considered at appropriate points in a major IT acquisition (e.g., CEMIS).** (SECDEF Memo, 2 Jun 97 implemented within DoD)
- **Director, DSCA directed at Security Cooperation 2001 that BPR office would pick-up where reinvention left off, with primary emphasis on business processes.**



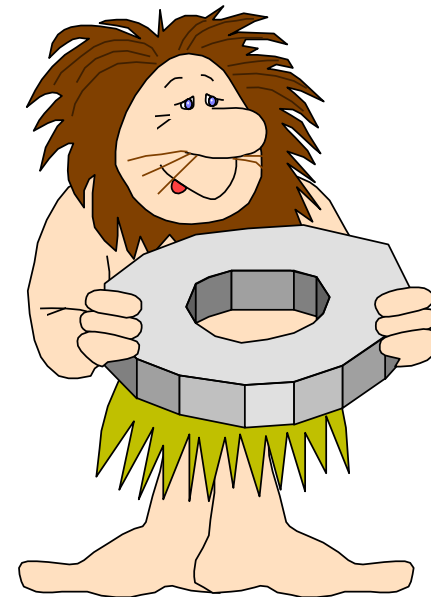
WHAT DOES BPR BRING TO THE TABLE?

- **Compliance with the law and SECDEF policy**
- **Policy level attention and facilitation**
- **Macro versus micro process approach**
- **Focal point for innovative ideas**



CRITERIA FOR SELECTING A BUSINESS PROCESS TO REENGINEER

- **Dysfunction**
- **Importance**
- **Feasibility**





ACTIONS ACCOMPLISHED

- **151 business processes examined**
 - 16 currently on the “Active List”
 - 29 currently on the “Archived List”
- **16 evaluated as to high, medium or low importance**
- **Director, DSCA Guidance**
 - Work initiatives sequentially so as to not place undue strain upon the staff and the MILDEPs
 - Match Active List to the Six Core Functions



THE 16 ACTIVE LIST ISSUES

1. **Improve Case Closure and Reconciliation**
2. **End-to-End Control Mechanism**
3. **FMS Surcharges**
4. **LOR by E-Mail**
5. **Refine Cooperative Logistics Supply Support Arrangement (CLSSA)**
6. **FMS Point-to-point Material Tracking**
7. **Military Articles and Services List (MASL) Improvement**
8. **Navy FMS Dual Track**
9. **SDR: Returning material process using US Bank Power Track System**
10. **E-Mail Direct Delivery to FMS Customers and Use of Debit Cards**
11. **Increase International Logistics Control Office (ILCO) flexibility for determining support methods for delivering goods & services identified on LOA, and/or amendment/modification documents**
12. **Increase SDR Write-Off Threshold**
13. **Life Cycle Sustainment Support; and Manage FMS Reserve & Resale Out-of-Inventory Equipment.**
14. **Qualitative Analysis of FMS Business Activity.**
15. **Tri-Service ILCO Symposium**
16. **Worldwide Warehouse Redistribution Services (WWRS)**

Key: **Green = High Priority**

**Blue = Medium
Priority**



WHAT CONSTITUTES SUCCESS? THE SIX CORE FUNCTIONS

ACTIVE LIST

Pre-LOR #1	Case Development #2	Case Execution #3	Case Closure #4	Other SC #5	Organizational Support #6
	4	2	1	11	
	14	5	2		
		6			
		7			
	3	9			
	8	1			
	1	3			
	0	5			
		16			

Key: Green = High Priority Blue = Medium Priority Red = Low Priority



NEXT STEPS

- **We are working the issues one at a time**
- **A message went to the field in Mar 02 announcing and explaining BPR, and soliciting innovative ideas**
- **BPR Executive Committee will be convoked as required to review and revise as required (last meeting held 4 Oct 02)**
- **Innovative Ideas - 7 received to date - 2 have been moved to the BPR Active List**



THE FUTURE

- **DSCA is aggressively pursuing implementation of Performance Based Costing (PBC) and Performance Based Budgeting (PBB) processes.**
- **We are adapting the Planning, Programming and Budgeting System (PPBS) process to the Security Assistance (FMS and FMF) program.**
- **By 2003 we expect PBC, PBB and PPBS to make a very positive impact on how we do security cooperation business**



THE FUTURE (cont)

- **We are replacing 13 antiquated management information systems with one or two consolidated and standardized systems.**
- **We are developing a web-based portal operation to provide more timely and accurate delivery and financial data; to be incrementally implemented.**
- **During a follow-on presentation today, attendees will get a first**